

SUBLEASE

THIS LEASE is made and entered into this FIRST day of SEPTEMBER 1, 1984, by and between JACK M. CONRAD (hereinafter called "Lessor") and SEATTLE JET CENTER, INC., a Washington corporation (hereinafter called "Lessee").

W I T N E S S E T H:

1. Purpose. This Sublease is intended by the parties to provide for a net lease and rental of certain facilities for various aircraft-related enterprises and services, including parking areas. Such premises are a part of certain real property which is the subject of a lease dated November 9, 1972 ("the County Lease") and subsequent amendments, in which King County is the lessor (the "Prime Lessor") and Seattle Flight Services, Inc. is the lessee and to which this Sublease is specifically made subject. Lessor is the assignee of Seattle Flight Services, Inc.'s interest in the County Lease.

2. Premises. Lessor, in consideration of the rental to be paid and the covenants and considerations to be performed by Lessee as hereinafter provided, does hereby sublease and sublet unto Lessee, for the terms and conditions hereinafter stated, a portion of a building and hangars commonly known as the Seattle Aviation Center (the "Building"), appurtenant approach aprons, and parking area located upon that certain real property situated in King County, Washington, described in Exhibit A attached hereto and incorporated herein by this reference. The real

property, the Building, and any improvements thereon are referred to hereinafter as the "Premises." The agreed floor area of the portion of the Building which is leased hereunder is approximately 22,906 square feet, and the agreed total floor area of the Building is approximately 28,106 square feet. The portion of the Building, appurtenant approach aprons, and parking area which are leased hereunder are set forth in Exhibit B attached hereto and incorporated herein by this reference, and shall hereinafter be referred to as the "Leased Premises."

This Sublease does not include that portion of the hangar building located on the north part of the hangar currently leased to Asian Pacific Industries (hereafter called the "Asian Pacific Lease") as assignee of the Schoenfeld Corporation. For purposes of this subparagraph, the words "does not include" means that as between the Lessee under this Sublease and the tenant under the Asian Pacific Lease, no landlord or tenant relationship exists. As part of the consideration for this Sublease, Lessee hereunder shall pay the ground rent, leasehold tax, and utilities for that portion of the premises currently occupied by Asian Pacific. Lessor, however, by executing this Sublease, assigns to Lessee hereunder Lessor's right to collect up to \$50.00 per month from Asian Pacific from increases in the King County lease. Asian Pacific is currently paying \$50.00 per month. Lessor also hereby assigns to Lessee the Lessor's right to collect the cost of any utilities or services used by the tenant of the Asian Pacific portion of the premises.

The portion of the premises that constitutes the Asian Pacific Lease is outlined on Exhibit B, attached.

Lessee acknowledges that its lease of the parking area set forth in Exhibit B is subject to Asian Pacific's reasonable right of access thereto and that Lessee's lease of the portion of the Building set forth in Exhibit B is subject to Asian Pacific's right to the reasonable use of common facilities therein such as lounge areas and restrooms.

A portion of the Leased Premises is subject to a sublease between Seattle Flight Service, Inc. and American Avionics under which American Avionics pays a monthly rental of approximately \$3,700 through December 1, 1984 per month. American Avionics shall attorn to Lessee and Lessee shall accept such attornment at American Avionics' current rental of approximately \$3,700 per month with American Avionics' occupancy expiring on December 1, 1984.

Jme
2A. FIRST REFUSAL. Lessor grants to Lessee a right of first refusal to lease the portion of the entire premises ~~not~~ ^{now} occupied by Asian Pacific, with Lessor to submit to Lessee the terms and conditions of any proposed lease of said portion of the premises for Lessee's acceptance or rejection. If Lessee shall not accept said terms and conditions and agree to lease the premises in accordance therewith within ~~ten~~ ^{thirty (30) days} after such a submittal, the Lessor may thereafter lease that portion of the overall premises to any third party on those terms and conditions at any time within one hundred eighty (180) days after Lessee's failure of acceptance. Any lease of that portion of the premises (to-wit: presently occupied by Asian Pacific) to a third party shall limit use of any portion of the Leased Premises under that tenancy to reasonable use of the restrooms on the Leased Premises.

Jme

3. Rent; Term. It is the intention of this Sublease that the rent payable by the Lessee herein to the Lessor shall be a net rental of all costs or expenses. In addition to the amounts payable to the Lessor, Lessee shall timely pay to King County (the prime lessor) the ground rental on the entire described premises as well as any leasehold, excise, or property taxes assessable against the premises. Lessee shall also pay for insurance coverage as hereafter stated.

Rent payable to the Lessor shall be the sum of \$7,100 per month during the term of this Sublease and during the term of any extension option stated under this Sublease. This amount shall be due on the first day of SEPTEMBER, 1984 and the first day of each month thereafter. If this Sublease commences on a date other than the first day of the month, Lessee shall pay a pro-rata amount for the portion of the month it occupies the premises commencing with the commencement date.

The commencement date of this Sublease is SEPTEMBER 1, 1984.

The term of this Sublease shall be for one (1) year, subject to a single renewal option described in paragraph 38.

4. Taxes, Assessments, and Other Costs. In addition to the rent under Paragraph 3:

(a) Lessee covenants and agrees to pay promptly upon demand, as additional rent, any increase after the date of commencement of this Sublease in the amount of current real estate taxes, personal property taxes, leasehold tax assessments, assessments or charges based on value, and any other governmental charges payable by Lessor under the County Lease as of the date of commencement upon and against

the Premises, any improvements thereon, and any equipment located on the Leased Premises. In addition, Lessee covenants and agrees to pay any other increases after the date of commencement of the Sublease in costs or charges payable by Lessor under the County Lease as of the date of commencement of the Sublease and any new costs or charges added after the date of commencement of the Sublease and payable by Lessor under the County Lease. One-twelfth of any such increase or new cost or charge shall be added to the monthly rent owing hereunder and the Lessor shall notify Lessee in writing of the time when such increase shall take effect. Lessee shall not be responsible for any costs or charges not common to the Premises and shall not be responsible for any governmental costs or charges against other lessees of the Premises arising out of any such lessee's use of the Premises or which charge would be considered a charge or assessment personal to that lessee.

(b) Lessee covenants and agrees to pay:

(i) Any increase in the amount of Lessor's tax which is hereafter imposed upon rents on the Leased Premises;

(ii) Any increase in Lessor's taxes, assessments and governmental charges upon or against the property of Lessor or any property in the custody or possession of Lessee or brought upon the Leased Premises by or with the permission of Lessee, where any such increase is attributable to Lessee's use of the Leased Premises or to Lessee's improvements, buildings, structures, machinery, apparatus, fixtures, facilities, stock, inventory, merchandise, and other property, whether real, personal, or mixed; excluding however Lessor's business and occupation tax (if applicable) and net Lessor's income taxes; and

(iii) Any increase in Lessor's taxes, assessments, and governmental charges [excluding Lessor's business and occupation tax (if applicable) and net income taxes] based on the sales or income produced by Lessee (if otherwise the obligation of Lessor, only to the extent payable if such sales or income were the sole sales or income of Lessor) or upon that income which accrues to Lessee.

Lessee shall hold Lessor and Lessor's property harmless from any and all such increases in Lessor's taxes, assessments, and charges with respect to the Leased Premises and from any and all liens or encumbrances resulting therefrom or incidental thereto.

(c) If during the term of this Sublease any street, roadway, or other public improvements, whether consisting of new construction, maintenance and repair, or reconstruction to be made, the whole or any portion of the cost of which is assessed against the Premises, Lessee agrees to pay its share of such assessed cost. Lessee's share shall be an amount that bears the same ratio to any such assessed cost that the floor area of Lessee's portion of the Building leased hereunder bears to the total floor area of the Building as stated in Paragraph 2 above.

If any such assessment may be paid in installments, the Lessee may elect or cause Lessor to elect to have the same paid in such installments, with the Lessee herein to be liable only for those installments accruing during the term of this lease, be it the original term or as it may be extended. An installment accruing partially within the term of this lease and partially outside of said term, shall be prorated between Lessee and Lessor.

5. Indemnity and Liability Insurance.

(a) As a material consideration without which this Sublease would not have been made by Lessor, Lessee agrees to and hereby does assume the risk of injury to or death of any person and damage to or destruction of any property, occurring in, upon, and about the Leased Premises or improvements thereon after the commencement of this Sublease arising out of any act or failure to act by Lessee, its agents, invitees, or employees. Lessee shall indemnify and hold harmless Lessor from and against any and all loss, cost, damage, and expenses directly or indirectly resulting from the risks hereby assumed by Lessee, and from and against any and all liability therefor, and from and against any liability of Lessor arising under Paragraph 8 of the County Lease caused by Lessee's willful or negligent acts or omissions, except to the extent any such loss or damage was caused by Lessor's willful or negligent acts or omissions.

(b) In addition to the rental to be paid by Lessee as herein elsewhere provided, Lessee agrees to maintain public liability insurance on the Premises in the minimum limit of \$250,000 for the property damage and in the minimum of \$500,000/\$1,000,000 for bodily injury and death, and shall name Lessor and King County as additional insureds. Lessee shall furnish Lessor a certificate indicating that the insurance policy is in full force and effect, and that Lessor and King County have been named as additional insureds, and that the policy may not be cancelled unless twenty (20) days' prior written notice of the proposed cancellation has been given to Lessor.

6. Use of Premises. Lessee will use the Leased Premises for purposes consistent with the requirements of the County Lease, and will not use them for any other

purposes without the prior written consent of Lessor or in such a manner so as to cause a default under the County Lease. Lessee shall use the Leased Premises in a business-like and responsible manner during the term of this Sublease, with the exception of temporary closures for such period as may reasonably be necessary for repairs or redecorating or for reasons reasonably beyond Lessee's control.

7. Acceptance of Leased Premises. Lessee has examined the Leased Premises and accepts them. Lessor covenants that if and so long as Lessee pays the rental and performs the covenants contained in this Sublease, Lessor shall take all necessary steps to secure to Lessee and to maintain for the benefit of Lessee the quiet and peaceful enjoyment of the Leased Premises.

8. Compliance With All Laws and Regulations. In using the Leased Premises, Lessee will comply with all applicable Federal, State, County, and Municipal laws, ordinances, and regulations.

9. Liens. Lessee will keep the Premises free from any liens arising out of obligations incurred by the Lessee. Upon written request from Lessor, Lessee will furnish written proof of payment of any charge which could provide the basis for a lien on the Premises if not paid; provided, however, that it shall not be considered a breach of this Sublease for the Lessee to contest any lien on the Premises which it considers invalid. Lessee shall have thirty (30) days from the date of final judgment to remove any lien before the presence of said lien shall be considered a breach of this Sublease.

10. Assignment or Sublease. Lessee shall not assign or transfer this Sublease or any interest therein, nor

sublet the whole or any part of the Premises, nor shall this Sublease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the written consent of the Lessor first had and obtained, which consent shall not be unreasonably withheld nor delayed. If Lessee is a corporation, Lessee agrees that, if at any time during the term of this Sublease more than one-half (1/2) of the outstanding shares of any class of stock is sold, or if Lessee corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Sublease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall not require the consent of the Lessor, but may require the consent of the Prime Lessor under the County Lease. If the Lessor shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Lessor's consent. If Lessee desires to assign or transfer this Sublease or any interest therein, he shall notify Lessor in writing of said desire to assign or transfer and the details of the proposed agreement, thirty (30) days prior to executing any assignment or transfer to a third party, PROVIDED, HOWEVER, that the following provisions shall, if applicable, apply and control the above: So long as the Lessee named herein (to-wit: Seattle Jet Center, Inc.) shall occupy not less than 6,000 square feet of the Leased Premises for its own use, the consent of Lessor shall not be required for a partial sublease of the remainder of the Leased Premises provided said further sublease by Lessee does not exceed the then applicable term hereof.

11. Termination Defaults. If Lessee files a petition in bankruptcy, or if Lessee is adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee is appointed in any proceeding brought by or against Lessee, or if Lessee makes an assignment for the benefit of creditors, or if any proceedings are commenced to foreclose any mortgage or any other lien on Lessee's interest in the Premises, or if Lessee defaults in the performance of any of his obligations under this Sublease, Lessor may terminate this Sublease by written notice to Lessee and re-enter and take possession of the Leased Premises without process of law if the payment provisions of this Sublease are in default, or if such assignment constitutes a default by Lessor under the County Lease.

Time is of the essence of this Sublease and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth, the Lessee shall be in default.

If Lessee has defaulted in the performance of any of his obligations under this Sublease, Lessor may terminate this Sublease under the provisions of this paragraph. Lessor will give Lessee twelve (12) days' notice in writing stating the nature of the default to permit Lessee to remedy the default within the twelve (12) day period. In the event Lessee fails to cure said default, or within said twelve (12) day period has commenced to diligently cure said default if said default reasonably takes longer than the twelve (12) day period to cure, Lessor may at any time after the expiration of the twelve (12) days terminate said Sublease on written notice.

The right of termination upon the filing of a bankruptcy proceeding shall exist absolutely under the filing of any petition under Chapters I through VII of the Bankruptcy Act (provided that, in the case of an involuntary petition, the right shall not accrue until adjudication). If a proceeding is filed by the Lessee under Chapters X through XII of the Bankruptcy Act, the right of the Lessor to terminate the Sublease shall be conditioned upon a showing that the Sublease is in default or that there is a substantial probability the Lessee will not be able to perform its obligations under the Sublease.

12. Termination by Prime Lessor. Paragraphs 15, 16, and 17 of the County Lease authorize cancellation of the County Lease by the Prime Lessor under certain conditions. Cancellation by the Prime Lessor pursuant thereto shall cancel this Sublease, as of the identical time. If Lessee is not in default under any provisions of the Sublease on the date of any such cancellation, any rental prepaid by Lessee shall be refunded to Lessee, to the extent allocable to any period subsequent to the effective date of the termination. Lessee shall be released from any and all obligations under the Sublease which would otherwise accrue after any such termination.

13. Waiver. The acceptance of rent by Lessor for any period or periods after a default or of performance of any covenants of this Sublease after a default (other than a payment default) by Lessee will not be considered a waiver of the default by Lessee unless Lessor gives Lessee written notice that the acceptance is a waiver. No waiver by Lessor of any default by Lessee will be construed to be or act as a waiver of any subsequent default by Lessee.

14. Litigation Costs. If either party is required to bring any action to enforce any of the provisions of this Sublease, then the prevailing party shall be entitled, in addition to any other relief granted, to its reasonable costs including attorneys' fees. Any action arising under this Sublease shall be brought in King County, Washington.

15. Cumulative Remedies. No provisions of this Sublease preclude Lessor from pursuing any other remedies for Lessee's failure to perform his obligations.

16. Heirs, Successors and Assigns. Without limiting any provisions of this Sublease pertaining to assignment and subletting, the provisions of this Sublease bind the heirs, legal representatives, successors and assigns of any of the parties to this Sublease.

17. Surrender. At the expiration or termination of this Sublease, Lessee will promptly surrender possession of the Premises to Lessor.

18. Holding Over. If Lessee shall, with the consent of Lessor, hold over after the expiration or sooner termination of the term of this Sublease, the resulting tenancy shall, unless otherwise mutually agreed, be on a month-to-month basis. During such month-to-month tenancy, Lessee shall pay to Lessor the same rate of rental as set forth herein, unless a different rate shall be agreed upon, or be charged pursuant hereto, and shall be bound by all of the additional provisions of this Sublease agreement insofar as they may be pertinent.

19. Public Use. The Premises and King County Airport are subject to the terms of certain sponsor's assurance made to guarantee the public use of the public airport area of King County Airport as incidental to grant agreements between King County and the United States of America.

20. Right of Flight. The Premises are subject to a right of flights for the passage of aircraft above the Premises for landing at, taking off from, and operating aircraft on or over King County Airport, all in accordance with applicable safety and operating regulations of King County Airport with the Federal Aviation Administration.

21. Employee Conduct. If the Airport Manager finds any of Lessee's employees or agents violating rules or regulations of King County Airport, Lessee will remove the agent or employee from King County Airport upon written notice from the Airport Manager.

22. Nondiscrimination. In all hiring or employment made possible or resulting from this Sublease, there shall be no discrimination against any employee or application for employment because of sex, age, race, color, creed, or national origin, and this requirement shall apply to, but not be limited to the following: employment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

No person shall be denied, or subject to discrimination in receipt of, the benefit of any services or activities made possible by or resulting from this Sublease on the ground of sex, race, color, creed, national origin, or age, except by minimum age and retirement provisions. The Lessee shall be bound by the regulations of the Secretary of Transportation pertaining to nondiscrimination in federally assisted programs as delineated in 49 Code of Federal Regulations, Chapter 21, and Appendices thereto (formerly FAA Regulations, Part 15).

Any violation of this provision shall be considered a violation of a material provision of this

Sublease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Sublease by Lessor.

23. Advances. If Lessee fails to pay any fees or perform any of its obligations under this Sublease, Lessor may mail notice to Lessee of his failure to pay or perform. Twelve (12) days after mailing notice, if Lessee's obligation remains unpaid or unperformed, Lessor may pay or perform these obligations at Lessee's expense. Upon written notification to Lessee of any costs incurred by Lessor under this paragraph, Lessee will promptly reimburse Lessor.

24. Severability. If any term or provision of this Sublease or the application of any term or provision to any person or circumstance is invalid or unenforceable, the remainder of this Sublease, or the application of the term or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected and will continue in full force.

25. Fire and Casualty Insurance. In addition to the rental to be paid by Lessee as herein elsewhere provided, Lessee shall cause the Building and improvements on the Premises to be insured against fire (including extended coverage, vandalism and malicious mischief), liability, boiler (should any be installed), and earthquake for the full replacement value thereof in a company acceptable to Lessor and shall pay its share of the cost thereof. Lessee's share shall be an amount that bears the same ratio to the cost of such fire and casualty insurance that the floor area of Lessee's portion of the Building leased hereunder bears to the total floor area of the Building as stated in Paragraph 2 above. Lessor shall be named as an additional insured, and such policy shall not be cancellable

except upon twenty (20) days' written notice to Lessor. Lessor shall receive a copy of each policy entered into pursuant to these provisions.

26. Damage or Destruction of Improvements. If during the term of this Sublease, the Building and improvements as constructed by Lessor upon the Premises shall be damaged or destroyed by fire or other peril insured against, Lessor shall proceed from any available insurance proceeds to rebuild or restore the same with reasonable promptness, and this Sublease shall continue, subject, however, to just, reasonable, and proportionate abatement of rents during the period of reconstruction or repair. Lessor shall be entitled to collect and retain the proceeds of all insurance policies covering the property of Lessor if damaged or destroyed.

27. Maintenance. Lessee shall, throughout the term of this Sublease, without cost or expense to Lessor, keep and maintain the Leased Premises and all improvements, fixtures, and equipment which may now or hereafter exist thereon, in good and sanitary order and repair and in a good, safe, and presentable condition consistent with the highest of business practices, excluding the roof, walls, and structural foundation, unless damage to the roof, walls, and structural foundation is caused by the act or failure to act by Lessee, its agents, employees, or invitees. Lessor shall maintain in good repair the roof, walls and structural foundation. If after twelve (12) days' notice from Lessor Lessee fails to maintain or repair any part of the Leased Premises or any improvement, landscaping, fixtures, or equipment thereon (or if said work would reasonably take longer than twelve days, has failed to diligently commence such work), Lessor may, but shall not be obligated to, enter

upon the Leased Premises and perform such maintenance or repair and Lessee agrees to pay the costs thereof to Lessor, upon receipt of a written demand. Any unpaid sums under this paragraph will bear interest at the maximum consumer rate allowed by Washington State law.

28. Utilities. Lessee shall pay for all utility service, including but not limited to, water, sewer, gas, electricity, and oil. Lessee shall remove all its wastes and garbage at its own expense.

29. Alterations. No improvement, including landscaping, shall be erected or placed on the Leased Premises and no alterations will be made in the improvements and facilities constructed or to be constructed on the Leased Premises without the prior written approval of Lessor; AND PROVIDED FURTHER, that consent to normal alterations incident to the Lessee's (or any sublessee, as the case may be) business shall not be unreasonably withheld nor delayed, PROVIDED, HOWEVER, that Lessor's consent shall not be required for tenant improvements made in conjunction with a sublease for which Lessor's consent is not required under paragraph 10 hereof - Assignment of Sublease.

All improvements, excluding Lessee's trade fixtures, made upon the property by Lessee shall become the property of Lessor upon the termination of this Sublease or at the end of any renewal period of this Sublease. Lessee, upon expiration or sooner termination of this Sublease, shall deliver the Leased Premises to Lessor, including all keys to the space occupied, in a neat and clean condition and in a good as state of repair as the Leased Premises were upon delivery to the Lessee, reasonable wear and tear excepted.

30. Signs. No sign, advertisement, notice, or other lettering will be exhibited, inscribed, painted, or affixed by Lessee on any part of the outside or inside of the Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld nor delayed. If Lessee violates this provision, Lessor may remove the signs without any liability and may charge the expense incurred by such removal to the Lessee; provided, however, Lessor shall give Lessee written notice of Lessee's violation of this provision before Lessor shall remove said signs. All signs erected or installed by Lessee shall be subject to any Federal, State, or local statutes, ordinances, or regulations applicable to signs.

31. Inspections Access. Lessor reserves the right to inspect the Leased Premises at any and all reasonable times through the term of this Sublease; provided, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to Lessor hereunder shall impose no obligations on Lessor to make inspections to ascertain the condition of the Leased Premises, and shall impose no liability upon Lessor for failure to make such inspections.

32. Condemnation. In the event a substantial part of the Premises is taken by right of eminent domain, or purchased by the condemnor, in lieu thereof, so as to render the remaining Premises untenable, then this Sublease shall be cancelled as of the time of taking at the option of either party. In the event of partial taking which does not render the Premises untenable, the rent shall be reduced in direct proportion to the taking. Lessee shall have no claim to any portion of the compensation for the taking of the land or building; provided, however, that nothing herein contained shall constitute or be deemed to be a waiver by

the Lessor of or to diminish in any way the Lessee's rights or claims against the condemning agency for damages from loss of business or for relocation expenses for the moving and/or re-establishment of the Lessee's business.

33. "Lessee" Includes Lessees. It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Sublease, regardless of the number, gender, or fact or incorporation of the party who is, or the parties who are, the actual Lessee or Lessees under this agreement.

34. Clearance of Improvements. Under subparagraphs 32(a) and (b) of the County Lease, Prime Lessor has the right to have the Premises cleared of all improvements under certain conditions. In the event the Prime Lessor invokes its rights thereunder, Lessor shall perform the obligations of the lessee thereunder with respect to the Leased Premises.

35. Captions. The captions in this Sublease are for convenience only and do not in any way limit or amplify the provisions of this Sublease.

36. Notices. All notices hereunder may be personally delivered or mailed. If mailed, they shall be sent certified or registered mail to the following respective addresses:

Lessor: Jack M. Conrad
2375 Hughes Avenue S.W.
Seattle, WA 98116

with a copy to:

Phillip T. Hutchison or
John F. Kovarik
CASEY, PRUZAN & KOVARIK
18th Floor, Pacific Bldg.
Seattle, WA 98104

Lessee: Seattle Jet Center, Inc.
7001 Perimeter Road South
Seattle, WA 98108

with a copy to:

DAVIS, WRIGHT, TODD RIESE & JONES
4200 Seattle-First National Bank Bldg.
Seattle, WA 98154
Attn: William G. Pusch, Esq.

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

37. County Lease. This Sublease is hereby made expressly subject to, and Lessee agrees to perform, all of the terms, conditions, and provisions of the County Lease in so far as they pertain to Lessee's use and occupancy of the Leased Premises. Any failure of performance by Lessor of its obligations hereunder caused by the Prime Lessor under the terms of the County Lease shall not be deemed a default by Lessor; provided that if any such failure renders the Leased Premises untenable for the purpose of carrying on Lessee's business, Lessee may terminate this Sublease and shall be released from further obligations hereunder. Any default by Lessor in obligation under the County Lease caused by the act or failure to act of Lessee shall be a default in this Sublease. Specific reference in the various terms and provisions of this Sublease to the same or similar

terms and conditions arising under the County Lease shall not be deemed to limit the generality of this provision.

38. Option to Extend. Lessor grants to Lessee an option to extend this Sublease for one additional term of five (5) years. This option shall be exercised by Lessee giving Lessor written notice of Lessee's election to exercise the option, which notice shall be given not less than ninety (90) days before the expiration of the initial term of this Sublease.

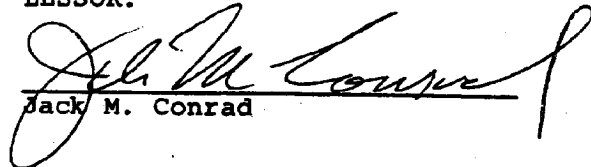
If Lessee elects to extend under this provision, the rental for the extended period (per month) shall be the same net rental figure stated in paragraph 3.

39. Consent of King County. Upon execution of this lease by both parties it is agreed that the consent of King County is required pursuant to the Prime Lease. Lessor shall have the primary responsibility of requesting and diligently pursuing the obtaining of such consent. Lessee agrees to cooperate in providing such assistance as is reasonably required to obtain the King County's consent to the approval of this lease. If King County shall fail to consent to this lease, this lease shall be null and void and Lessee shall be considered a tenant at sufferance.

40. Guarantors. Those persons executing this lease are shareholders or persons having a beneficial interest in the Lessee. It is beneficial to the guarantors that the Lessee corporation have the benefits provided by this lease. In consideration of the benefits to be derived by the guarantors and the Lessee corporation from this lease, the undersigned guarantors unconditionally guarantee the full performance of the Lessee of its obligations under this lease.

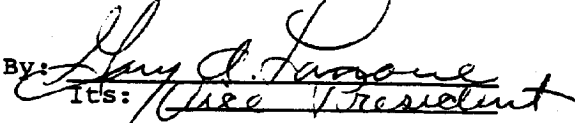
41. Joint and Several Liability. Each party who signs this Sublease (as Sublessee or guarantor) other than in a representative capacity, will be jointly and severally liable for the performance of the obligations under this Sublease.

LESSOR:


Jack M. Conrad


LESSEE:

SEATTLE JET CENTER, INC.

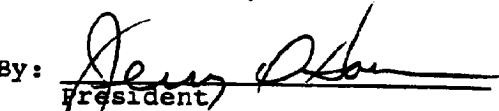
By: 
Its: Guy D. Laroque
President

GUARANTORS:

EMERSON GM DIESEL, INC.

By: 
President
And by: Paul Berg
Secretary

THOUSAND TRAILS, INC.

By: 
President
And by: John A. Smith
Secretary

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

On this 10th day of Sept, 1984, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared JACK M. CONRAD, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he signed and sealed the said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Paul T. Stratton
Notary Public in and for the
State of Washington, residing
at Seattle

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

On this 10th day of Sept., 1984, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared GARY LANOUÉ, to me known to be the Vice President of SEATTLE JET CENTER, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Kathleen M. Parker
Notary Public in and for the
State of Washington, residing
at Kent

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 10th day of September, 1984, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Chris Emerson and Paul Berg, to me known to be the President and Secretary, respectively, of EMERSON GM DIESEL, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Walter L. Lee
Notary Public in and for the
State of Washington, residing
at Seattle

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 10th day of Sept., 1984, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JERRY D. WORN and JULIE A. BROOKS, to me known to be the President and Secretary, respectively, of THOUSAND TRAILS, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Kathleen M. Parker
Notary Public in and for the
State of Washington, residing
at Kent

A tract of land in the West half of Section 28, Township 24 North, Range 4 East, W.M., described as follows:

Beginning at the Southeast corner of the Northwest Quarter ($\frac{1}{4}$) of Section 28, Township 24 North, Range 4 East, W.M.; Thence North $88^{\circ}25'45''$ West 679.00 feet; Thence North $38^{\circ}51'23''$ West 519.00 feet; Thence North $51^{\circ}08'37''$ East 44.77 feet to the True Point of Beginning; Thence South $68^{\circ}51'23''$ East a distance of 29.29 feet; Thence along the arc of a curve bearing to the right a distance of 70.69 feet; said curve has a radius of 135.00 feet and a chord bearing South $53^{\circ}51'23''$ East a distance of 69.88 feet; Thence South $38^{\circ}51'23''$ East along a line that is parallel to East Perimeter Road and 15.00 feet to the West of the centerline of said road, a distance of 372.19 feet; Thence South $51^{\circ}08'37''$ West a distance of 487.85 feet, to a point that is 305.00 feet from the centerline of the Utility Runway 13L/31R; Thence North $29^{\circ}52'38''$ West along a line parallel to the Utility Runway a distance of 470.48 feet; Thence North $51^{\circ}08'37''$ East along a line that is parallel to the Southernmost T-Hangar (6929 Perimeter Road) and 80.00 feet South of the Southerly edge of said T-Hangar, a distance of 381.42 feet, more or less, to the True Point of Beginning. Said Tract of land contains 208,698 square feet.

EXHIBIT A

0.500

EVAL DESCRIPTION

A copy of land in the West half of Section 30, Township 24 North, Range 1 East, T. 24N., R. 1E., described as follows:

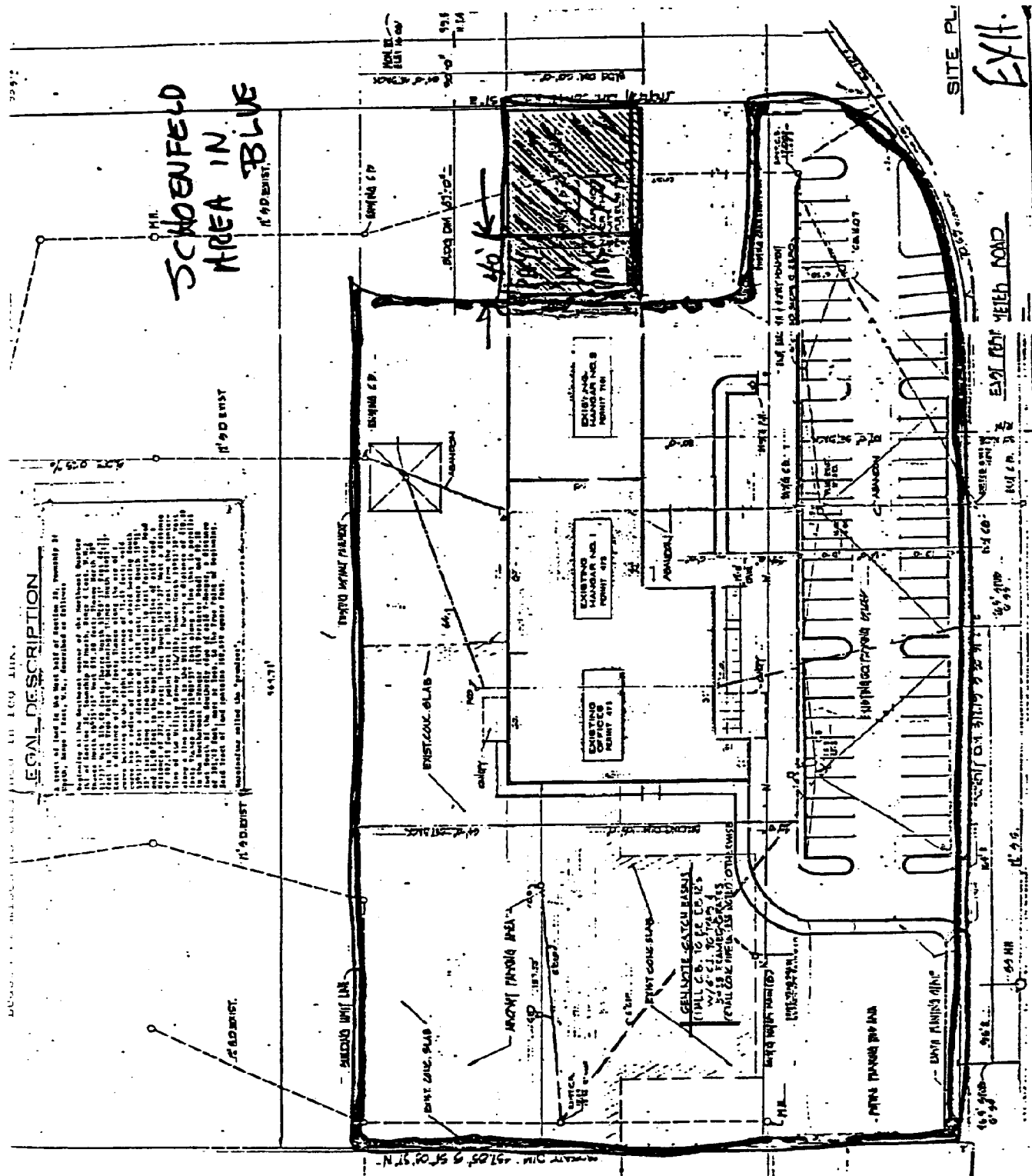
[illegible]

EXHIBIT B